

Quality of a strategy

The quality of a strategy is largely dependent on the quality of its inputs.

These inputs can be price, volume, macro-economic data, or alternative data such as tweets, search data results and satellite images etc.

Most technical indicators are based on just price information. They process price information using mathematical formulas. Using 5 technical indicators doesn't give you 5 different inputs. You got 5 ways to examine 1 input, which is price.

Thus, we don't encourage you to run trading strategies that solely rely on technical indicators.

Using only technical indicators means you are deriving your insights solely from price of one asset (the asset you are trading). That is usually not enough.

At the bare minimum, you need to draw insights from

- Price and volume from one asset
- Prices from multiple assets
- Non-price inputs
- Any combination of the above

At the end of the day, you want quality inputs that are not commonly used by other traders.

p.s. If you are trying to find out basic statistical info such as "Is asset X at a recent high or low?", then yes, a technical indicator can be a convenient tool.

MetaTrader 4 Features

MQL4's greatest benefits is the ease of set up and learning. It gets you started quickly and keeps you motivated as you make progress fast.

However, I don't like how it revolves too much around using indicators, price and volume data.

But fortunately, that is solved by importing our own external info using File functions. See Chapter "[Chapter 31 > Connect with the outside world - Importing and Exporting Data out of our Trading Platform](#)"

The examples and concept that we cover up till Chapter 31 still incorporate much of price data as we are still focusing on learning the basics.

Moving forward

From here till Chapter 31, do keep an open mind and not focus too much on using price indicators for your strategies!

If you are confused, just drop a comment at the bottom of this lecture or email me at lucas@algotrading101.com.

Keep calm and code on!